



national consumer agency
gníomhaireacht náisiúnta tomhaltóirí

putting consumers first

National Consumer Agency
Market Research Findings:
Shopping and Pricing

March 2011

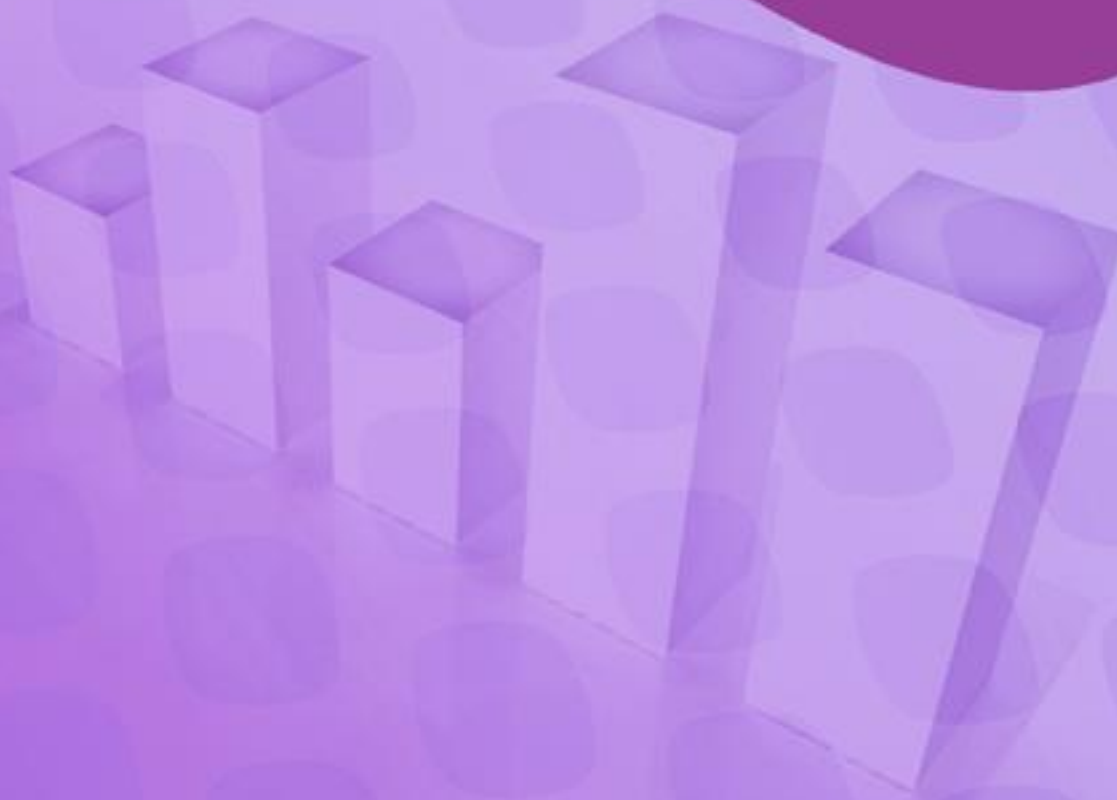


Table of Contents

1 Introduction and Methodology	4
2 Shopping and Pricing	6
3 Grocery Shopping	15
4 Shopping and Pricing: Key Points from Wave 6	22

Table of Figures

Figure 1	Shopping Around	6
Figure 2	Most Likely to Shop Around/Compare Prices in ... (Within the Last 12 Months).....	7
Figure 3	Difficulty Comparing Prices.....	8
Figure 4	Frequency of Using Price Comparison Sites	9
Figure 5	Key Influencing Factors in Determining Where to Shop	9
Figure 6	Most Important Factors in Deciding where to Shop for Goods/Services – I.....	10
Figure 7	Most Important Factors in Deciding where to Shop for Goods/Services – II.....	11
Figure 8	Most Important Factors in Deciding where to Shop for Goods/Services – III	12
Figure 9	Reasonable Value for Money?	13
Figure 10	Incidence of Checking Prices.....	14
Figure 11	Overall Awareness of the Price of Everyday Goods	15
Figure 12	Main Reasons for Choice of Main Grocery Shop.....	16
Figure 13	Own Brand Versus Regular Brand	17
Figure 14	Own Brand versus Regular Brand Preference – I.....	18
Figure 15	Own Brand versus Regular Brand Preference – II	18
Figure 16	Change in Grocery Shopping Since the Start of the Year	19
Figure 17	Price Cuts and Special Offers	20
Figure 18	Special Offer Seekers.....	21

Table of Tables

Table 1	Previous Waves of Market Research	4
---------	---	---

1 Introduction and Methodology

In November/December 2010 Amárach Research continued the programme of consumer research conducted by the National Consumer Agency with a view to monitoring, analysing and recording patterns of consumer behaviour and experiences in Ireland.

A key feature of how this market research is used involves the comparison of data collected in previous iterations (see Table 1 below), with that reporting on the current consumer landscape. This comparison provides a valuable time-series.

Table 1 Previous Waves of Market Research

Survey	Conducted
Benchmark	November/December 2007
Wave 1	August 2008
Wave 2	November/December 2008
Wave 3	May/June 2009
Wave 4	November/December 2009
Wave 5	June 2010

The research, consistent with previous surveys, was conducted by means of face-to-face interviews with 1,000 people between the ages of 15 to 74. To ensure that the data is nationally representative, quotas were applied on the basis of age, gender, social class and region. Interviews were conducted over a four-week period in November/December 2010.

The Agency's programme of market research explores a wide range of consumer behaviour and experiences in Ireland, including:

- The levels of consumer empowerment, awareness of consumer rights and the propensity to complain

- Consumer behaviour with regard to shopping and pricing
- Consumers' response to the recession
- Trends in switching goods / service providers

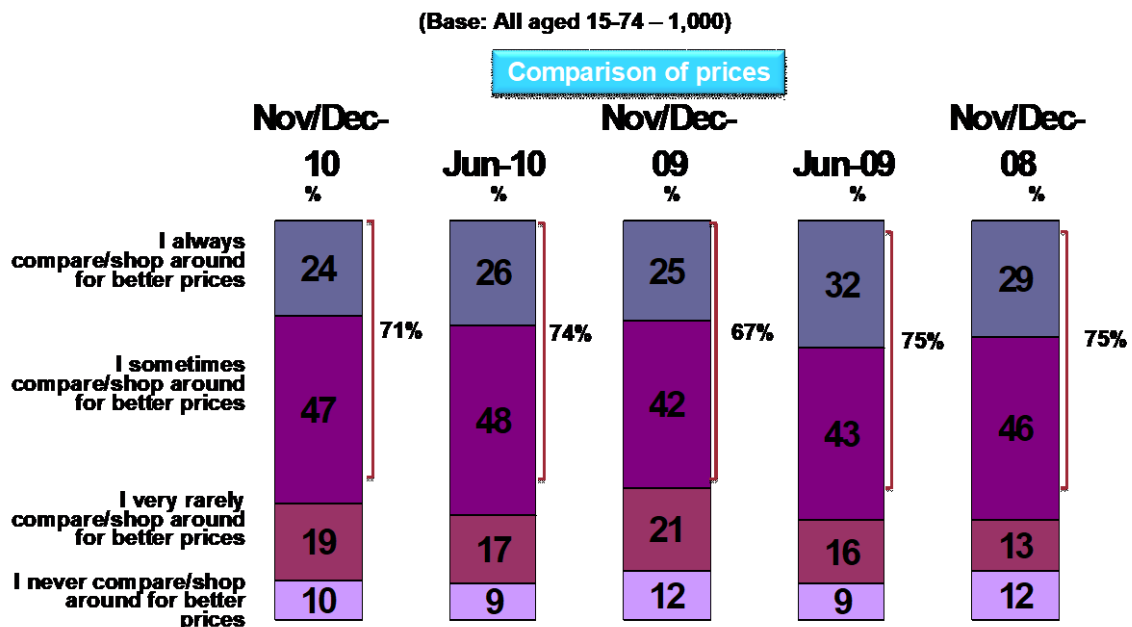
The results of the market research are compiled across four volumes. This report details the results relating to Irish consumers' experiences and attitudes with regard to overall Shopping and Pricing (Section 2) as well as questions which specifically relate to Grocery Shopping (Section 3).

PowerPoint versions of the slides in this report, in addition to details of all of the Agency's research activities, are available at http://www.nca.ie/eng/Research_Zone/Reports/.

2 Shopping and Pricing

The propensity of consumers to shop around is depicted in Figure 1, which presents the latest data and comparable results from four preceding series of market research. It can be seen that the number of consumers who state that they always or sometimes shop around for better prices remains relatively consistent, with a slight decrease (71%¹ down 3%) since the previous wave of research.

Figure 1 Shopping Around



¹ The percentage changes mentioned in this report refer to an increase or decrease in percentage points.

Figure 2 presents the sectors where people are most likely to have shopped around, in the preceding twelve months.

Of those who have shopped around or compared prices in the previous twelve months, 3 in 4 consumers have done so in supermarkets (75%) or shops selling clothing or footwear (74%).

Consumers are least likely to have shopped around or compared prices for doctors, hospitals or other medical services (13%), education providers (13%) or bus and train transport (14%).

Figure 2 Most Likely to Shop Around/Compare Prices in ... (Within the Last 12 Months)

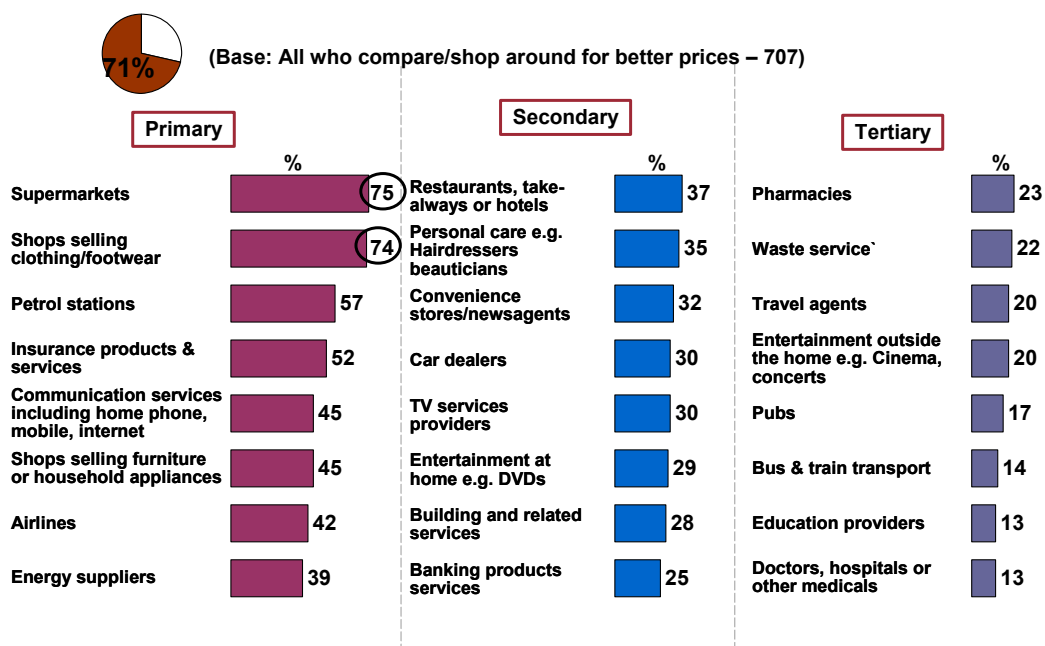


Figure 3 details respondents' difficulty in comparing prices. Overall, 17% of consumers indicated that they find it difficult to compare prices. The areas in which they find it most difficult are building related services, pharmacies and supermarkets all at 12%.

9% reported difficulty in comparing prices in relation to financial institutions and the services provided by doctors.

Figure 3 Difficulty Comparing Prices

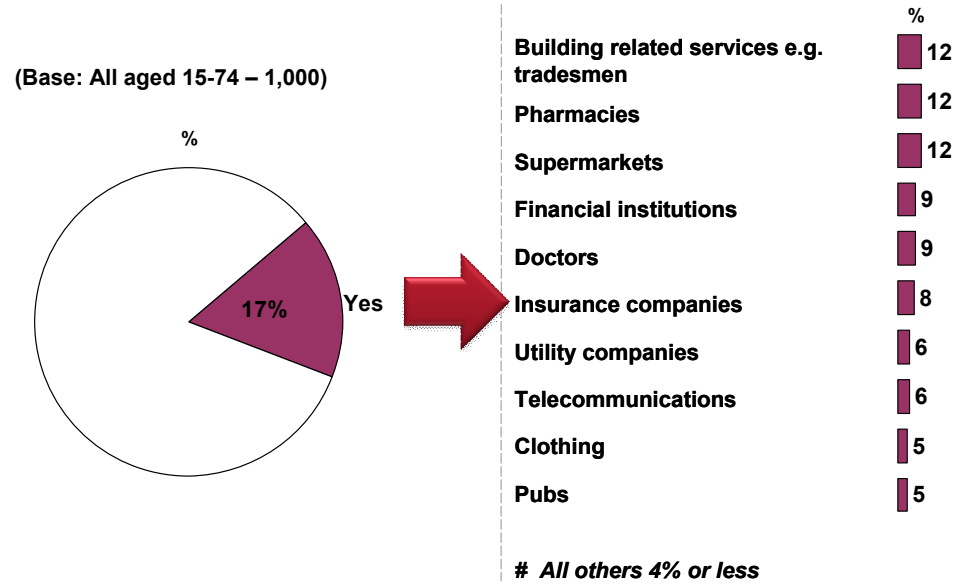


Figure 4 examines the frequency of using price comparison or product review websites² to compare prices or quality. A third of those who use the internet indicated that they use price comparison websites; whilst nearly 1 in 2 (47%) never use comparison or review sites before purchasing.

² Product review websites go beyond comparison sites, which only compare prices, by offering reviews and ratings on products, often submitted by site visitors.

Figure 4 Frequency of Using Price Comparison Sites

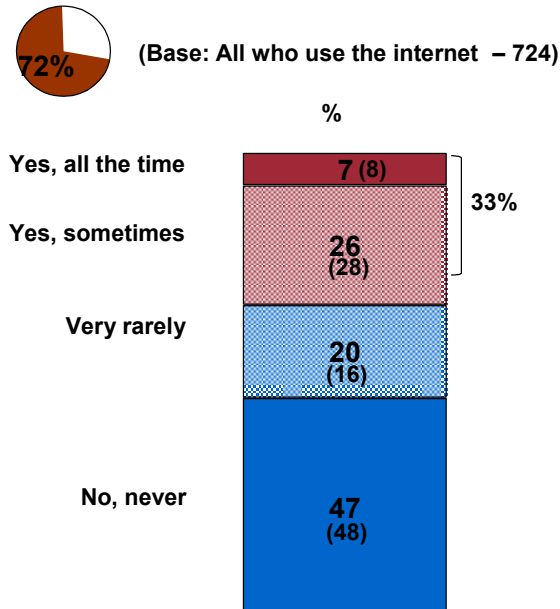
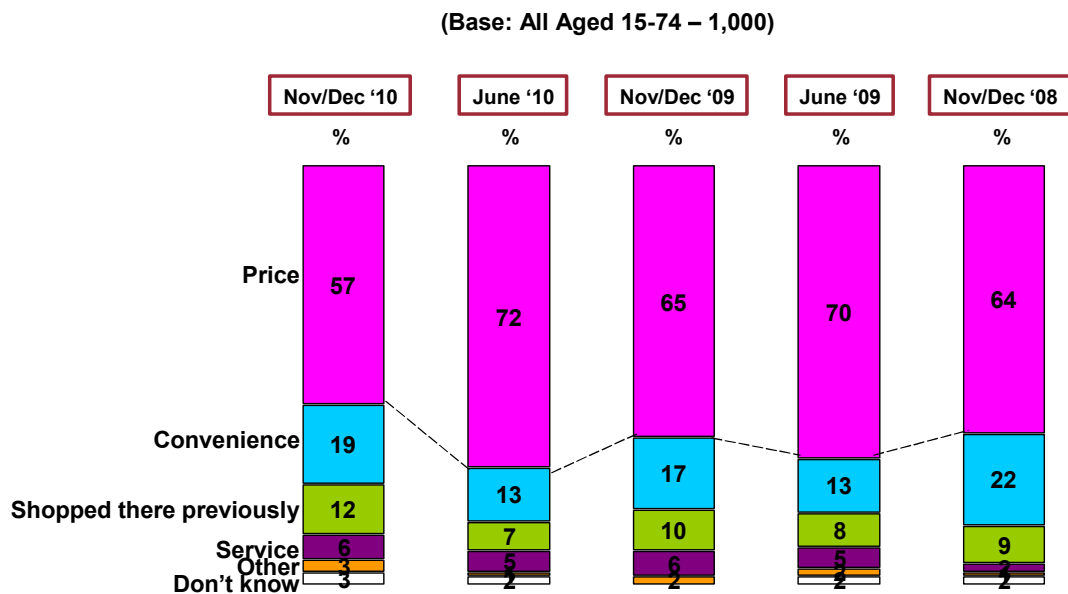


Figure 5 presents data in relation to the primary influencing factor in determining where to shop.

Figure 5 Key Influencing Factors in Determining Where to Shop



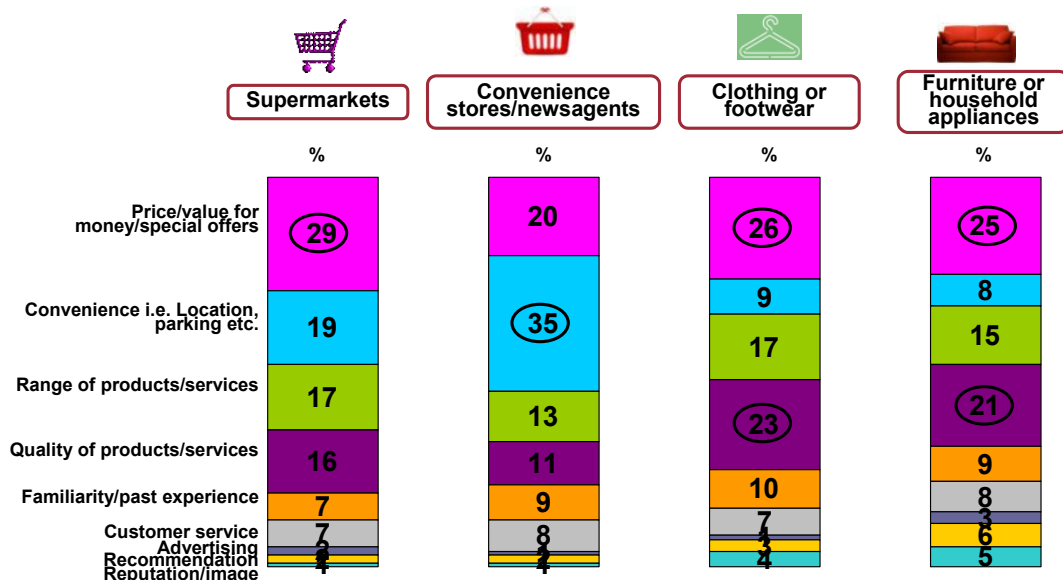
It can be seen that, as with previous waves, price remains the leading factor but the number stating price as their most significant motivating factor has dropped to 57% a substantial drop of 15% since the June 2010 wave of research where a record high of 72% shopped principally on price. Convenience and “having shopped there previously” have both increased (by 6% and 5% respectively) since the preceding wave of research.

Figures 6, 7 and 8 examine, by sector, the reasons for deciding where to shop for goods and services.

Looking at Figure 6, it can be seen price is the number one priority when shopping in supermarkets, shops selling clothing or footwear and furniture or household appliances. Unsurprisingly, convenience is the biggest driving factor for convenience stores and newsagents.

Figure 6 Most Important Factors in Deciding where to Shop for Goods/Services - I

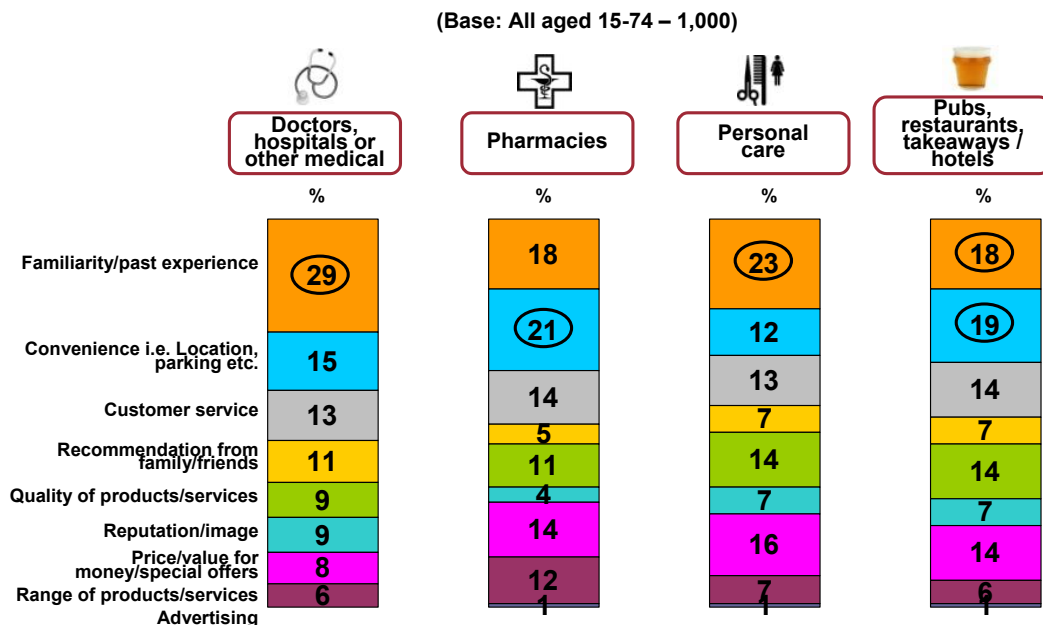
(Base: All aged 15-74 – 1,000)



As shown in Figure 7, familiarity or past experience is the most important influencing factor when choosing a doctor, hospital or other medical service and also personal care such as hairdressers.

Convenience rates highest in relation to pharmacies (21%) and pubs, restaurants, takeaways and hotels (19%), with familiarity/past experience also considered important factors for these sectors.

Figure 7 Most Important Factors in Deciding where to Shop for Goods/Services - II



As can be seen from Figure 8, price is considered the most important factor when purchasing from energy suppliers or communications/TV service providers. For building and related services, price and familiarity/past experience are the most influencing factors. In relation to banking products and services, customer service and familiarity/past experience are considered the most important influencing factors.

Figure 8 Most Important Factors in Deciding where to Shop for Goods/Services - III

(Base: All aged 15-74 – 1,000)

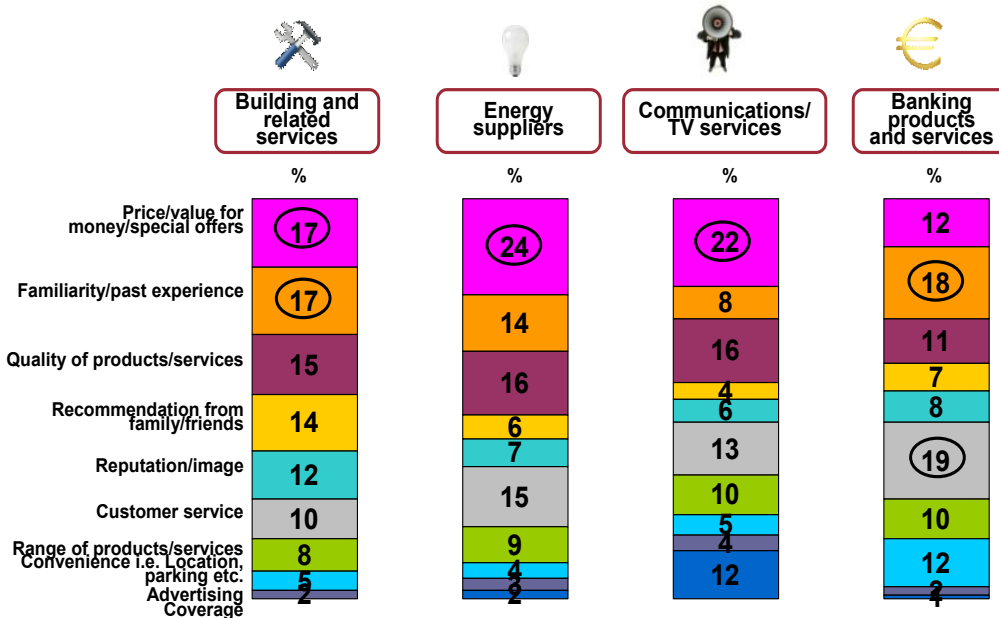


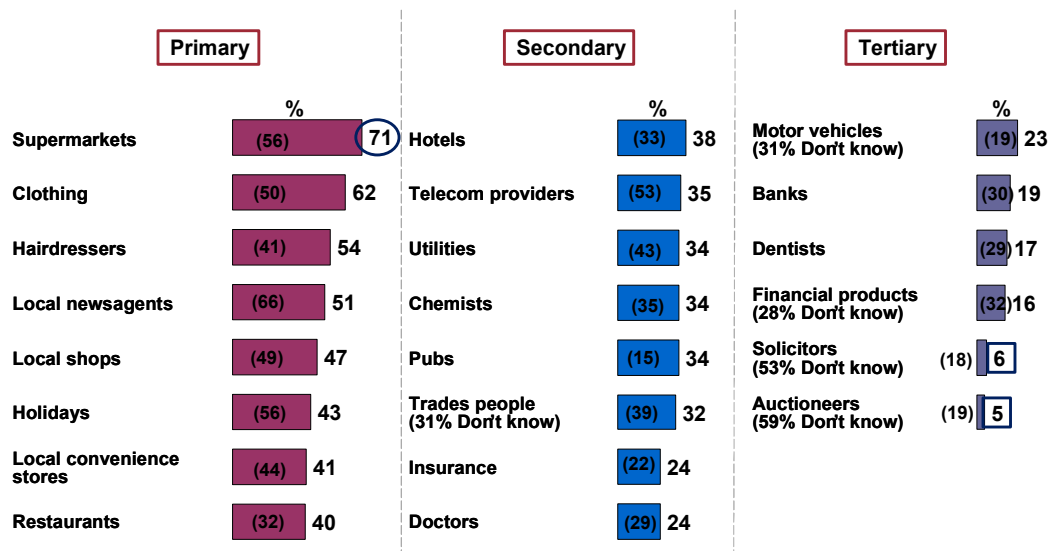
Figure 9 presents results in relation to consumers' assessment of value for money across a wide range of sectors. The figures in brackets refer to the results from the Consumer Rights National Survey Report 2004³, a report commissioned as part of the work of the Consumer Strategy Group. Supermarkets (71% up from 56%) and clothing shops (62% up from 50%) rate highest amongst consumers who feel they currently get reasonable value for money, with both gaining in numbers since 2004.

Areas where consumers feel value for money has decreased over the same period include local newsagents, local shops, holidays, local convenience stores, utilities and trades people. Notably, satisfaction in relation to value for money with respect to telecommunication providers has decreased by 19% whereas pubs have increased their value for money rating by 19%.

³ http://www.nca.ie/eng/Research_Zone/Reports/consumer_attitudes.pdf - Relevant section of report – Section 5.9, page 46.

Figure 9 Reasonable Value for Money?

(Base: All aged 15-74-1,000)



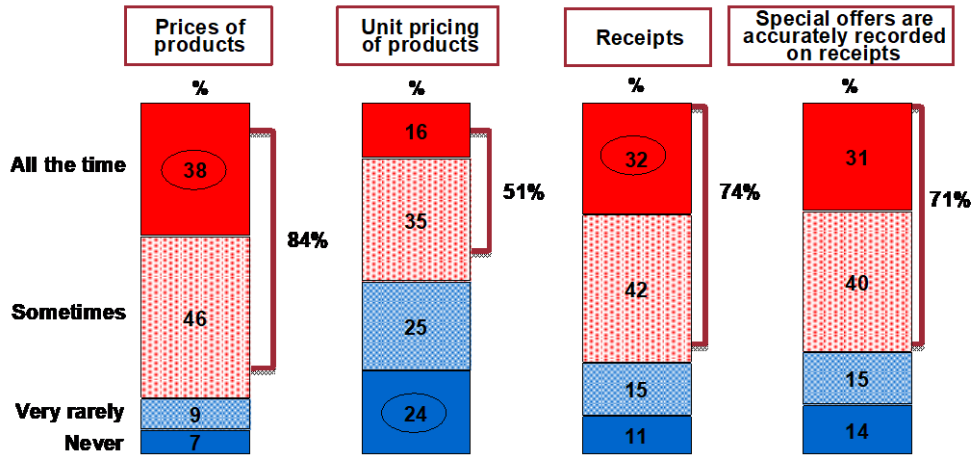
A relatively large proportion of consumers replied “don't know”, when asked to assess value for money in relation to the following sectors, Auctioneers (59%), Solicitors (53%), Motor Vehicles (31%), Trades People (31%) and Financial Products (28%). This may be in part because services in these sectors are less routinely purchased, meaning that respondents have more limited data on which to base their assessment.

Of those who gave a definite opinion, auctioneers (5%) and solicitors (6%) score the lowest in relation to consumer perception of reasonable value for money. Other sectors which score poorly in relation to consumer perception of value for money are insurance, doctors, motor vehicles, banks, dentists and financial products.

As shown in Figure 10, when checking prices well over a third (38%) of consumers claim that they check the prices of products all the time, a small number (7%) never check the price. Over 3 in 10 (32%) consumers check receipts all the time with a further 42% checking receipts sometimes and 11% of consumers stating that they never check receipts. 31% of consumers always verify if special offers have accurately been applied, while 14% indicated that they never check for this.

Figure 10 Incidence of Checking Prices

(Base: All aged 1574 – 1,000)



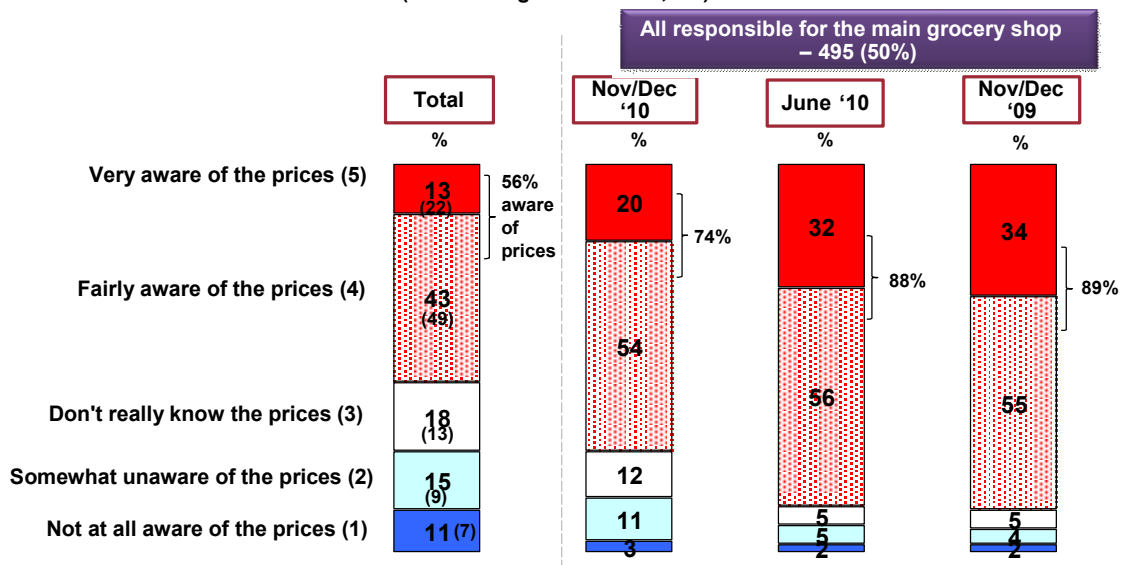
3 Grocery Shopping

Having looked at pricing overall, the following section examines consumer behaviour and experiences specifically with regard to grocery shopping.

As shown in Figure 11, over half (56%) of consumers state they are aware of the price of everyday grocery goods. The number asserting awareness of the price of everyday goods increases substantially when asking those responsible for the main grocery shop, with 74% stating they are aware; however this is a significant decrease on the figures recorded in the preceding two waves of market research, where 88% and 89% of consumers stated that they were aware of the price of everyday goods.

Figure 11 Overall Awareness of the Price of Everyday Goods

(Base: All aged 15 -74 – 1,000)



The numbers who feel they are unaware of prices is increasing (26% up from 16%) for the total sample and has doubled within the category of those responsible for the main grocery shop (14% up from 7%).

Looking at Figure 12, nearly 3 in 4 (72%) of those responsible for the main grocery shop choose their store based on price, the highest proportion seen in any of the Agency's market research to date. The numbers remain consistent with June 2010, however a decrease of 6% was observed for those citing convenience as the biggest deciding factor in where to do their grocery shopping.

From detail not shown, those choosing where to shop based on price increases significantly in the 25-34 and the 35-44 age groups, at 84% and 80% respectively. Convenience is rated higher amongst men (54%) and the over 55s (57%). Late night opening particularly appeals to the 15-24 year old age group with 24% of this group citing it as a reason for where they shop.

Figure 12 Main Reasons for Choice of Main Grocery Shop

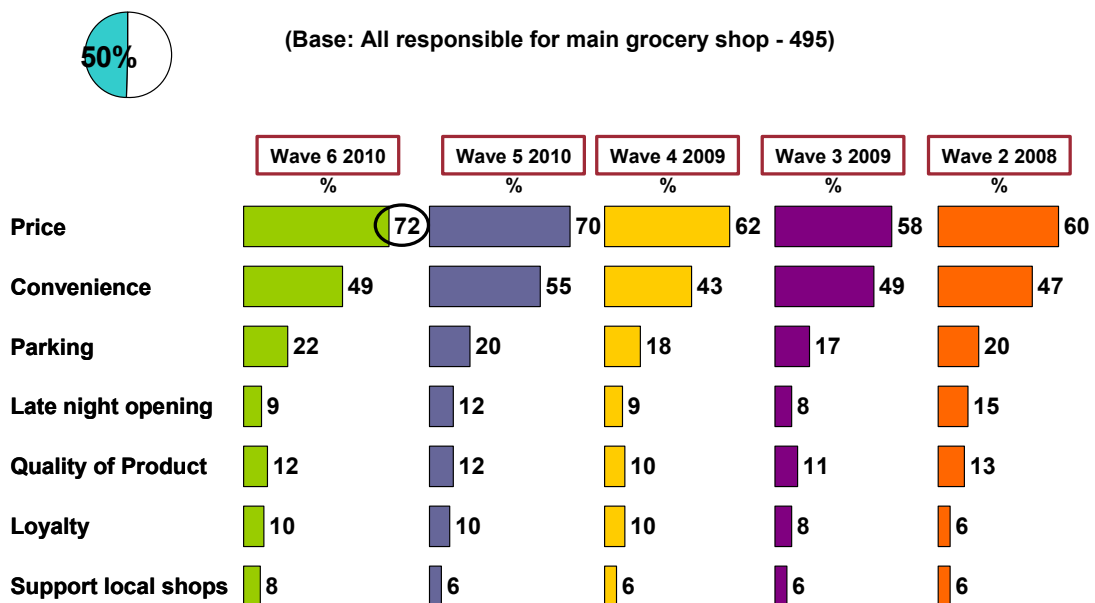
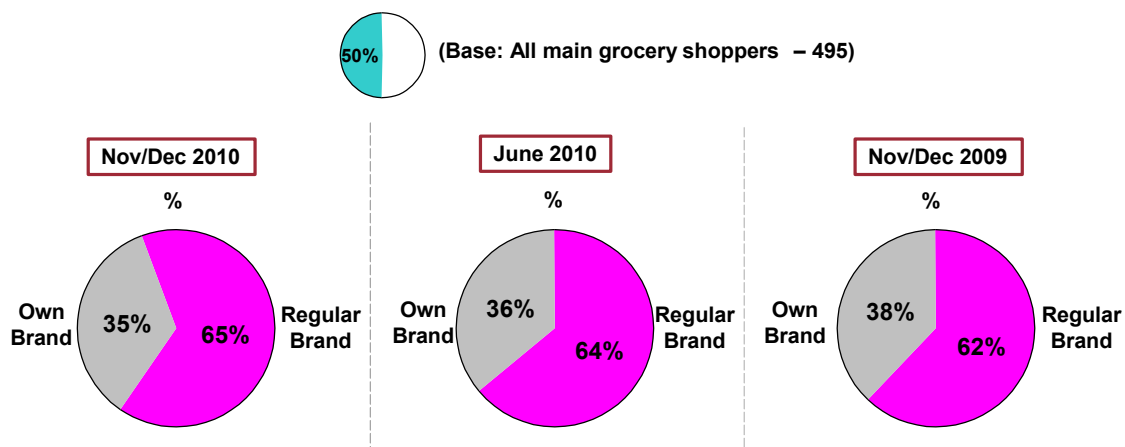


Figure 13 compares the proportion of the weekly shop that is allocated to branded⁴ and to own brand products respectively. The proportion purchasing own brand products is 35% which, although slightly decreased, remains broadly consistent with previous waves. 65% choose to buy branded products, from detailed data not shown, this is found to be higher amongst men (70%), the over 55s (69%) and those who are not aware of the prices of everyday goods (69%).

Figure 13 Own Brand Versus Regular Brand



Figures 14 and 15 show the breakdown, by category, of traditional branded and own brand purchases. Consumers are more likely to buy branded beer (89%), tea/coffee (84%), baby products (81%) and breakfast cereal (80%). Nearly 3 in 4 (74%) are likely to purchase own brand toilet tissues/kitchen towel, household cleaning products (67%) and milk (56%) follow as the next most likely items to be bought as own brand.

⁴ Any mention of branded or regular brand goods in this report refers to traditional, well known brands.

Figure 14 Own Brand versus Regular Brand Preference - I

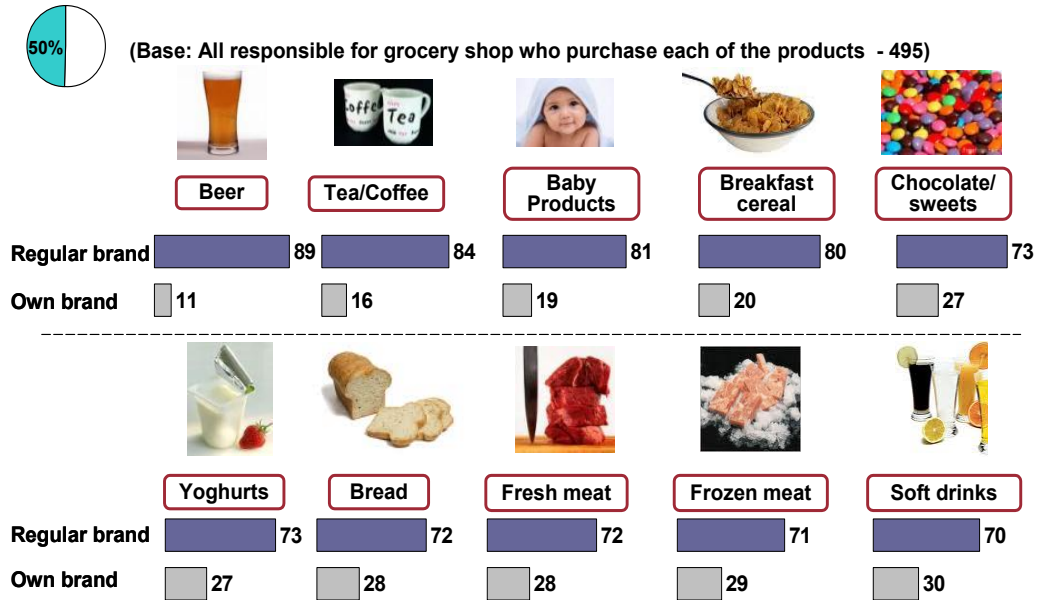


Figure 15 Own Brand versus Regular Brand Preference - II



As illustrated in Figure 16, the proportion of consumers responsible for the main grocery shop who have changed their grocery shopping habits, in terms of what they buy or where they shop, remains consistent with the previous wave.

Just under 1 in 2 (45%) have altered their behaviour; the proportion is highest amongst women where nearly half (49%) have changed their main grocery shop as opposed to a third (33%) of men.

Cutting back on treats remains the number one change recorded relating to grocery shopping with over 1 in 2 (55%) altering their behaviour in this way. 42% of consumers report that they are buying cheaper versions of products.

Figure 16 Change in Grocery Shopping Since the Start of the Year

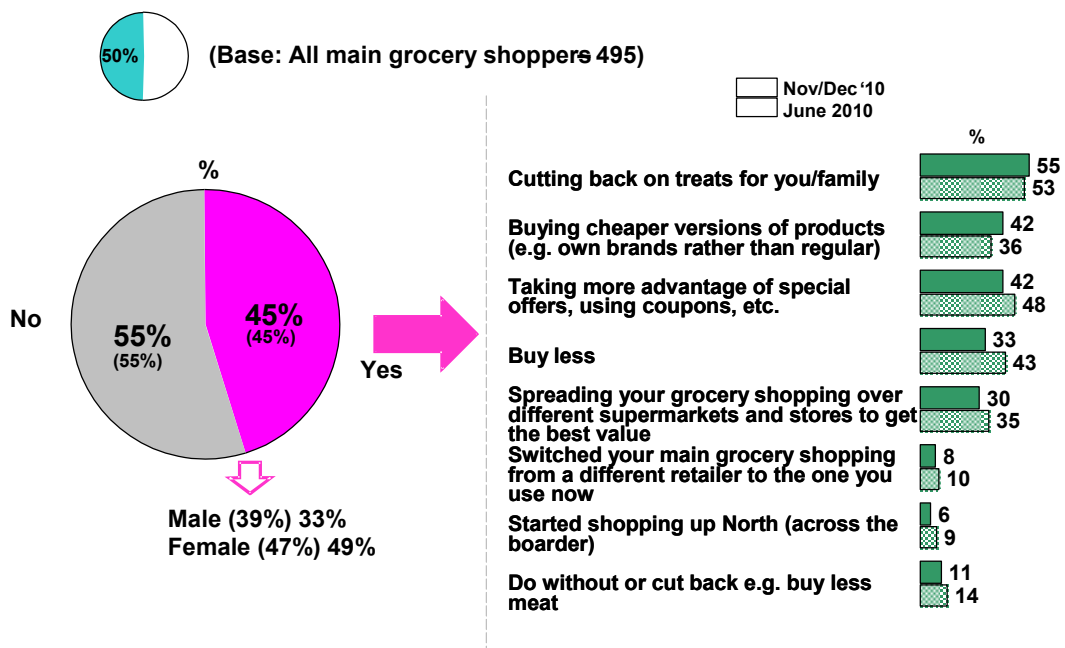


Figure 17 shows that nearly 4 in 5 (79%) main grocery shoppers, consistent with previous waves, prefer long term lower prices as opposed to regular promotions and special offers. From more detailed data, not shown, this proportion increases to 85% amongst the 45-54 year old age group and those living in Connacht or Ulster.

Overall, only 1 in 5 prefer regular promotions and special offers and they are most likely to be found amongst the respondents living in Dublin (27%) and the 15-24 year old age group (26%).

Figure 17 Price Cuts and Special Offers



Figure 18 shows, in relation to special offers, that those responsible for the main grocery shop are more likely to visit their usual store and pick up special offers (73%) while 25% select a particular store to visit based on the advertisement of special offers.

Figure 18 Special Offer Seekers



4 Shopping and Pricing: Key Points from Wave 6

In November/December 2010 the National Consumer Agency continued its programme of consumer research with a view to monitoring, analysing and recording patterns of consumer behaviour and experiences in Ireland. The research, consistent with previous surveys, was conducted by means of face-to-face interviewing with a nationally representative sample of 1,000 people between the ages of 15 to 74. This report presented the results relating to Irish consumers' experiences and attitudes with regard to Shopping and Pricing.

- Nearly a fifth (17%) of respondents found it difficult to compare prices. Consumers cited building related services, pharmacies and supermarkets as the areas where most difficulty in comparing prices was encountered.
- Price remains the primary influencing factor in determining where to shop generally, but the number of consumers who mentioned it first has dropped back significantly, since the June 2010 wave of research, from 72% to 57%.
- Supermarkets (71%) and clothing shops (62%) rate highest amongst consumers in relation to value for money; less than one in four consumers believe that they get reasonable value for money in relation to insurance (24%), doctors (24%), banks (19%) and dentists (17%). Solicitors (6%) and auctioneers (5%) rate lowest from consumers' perspective in relation to reasonable value for money, note however that there was a high degree of "don't knows" in relation to these sectors.
- Price remains the main reason for choosing where to grocery shop, with 72%, the highest level recorded to date, citing price as their main reason.

- The proportion of own brand versus branded products remains consistent with previous waves (35% own brand versus 65% branded). Consumers are more likely to choose branded beer (89%), tea/coffee (84%) and baby products (81%); for own brand goods consumers are more likely to purchase toilet tissue/kitchen rolls (74%), household cleaning products (67%) and milk (56%).
- Almost 4 in 5 (79%) consumers would prefer long term lower prices compared to regular promotions and special offers. Consumers are more likely to visit their usual store and pick up special offers while there (73%) as opposed to selecting a particular store to visit based on the advertisement of special offers (25%).